

News Updates

Aramco Starts Debut Sale of Dollar-Denominated Islamic Bonds –

Saudi Aramco launched its first US-dollar-denominated sukuk bond on Wednesday which will be issued in three tranches, according to a term sheet seen by Reuters. The deal will consist of three, five and ten year tranches, the term sheet showed. Potential investors have been given pricing guidance for the three year of U.S. Treasuries plus 105 basis points, for the five year of U.S. Treasuries plus 125 basis points and for the ten year of U.S. Treasuries plus 160 basis points. Aramco chose to issue Islamic bonds over conventional ones due to high demand for the instrument as a result of few dollar sukuk sales from the Gulf this year, a source told Reuters on Monday. The final terms and size of the transaction are expected to be set on Wednesday. Aramco has been widely expected to become a regular bond issuer after its debut \$12 billion bond deal in 2019 was followed by an \$8 billion, five-part transaction in November last year, also used to fund its dividend. There are 29 active and passive bookrunners on the deal, the term sheet showed. *(Source: Reuters)*

Emirates Development Bank gives initial price outlook for US dollar bonds –

Emirates Development Bank, fully owned by the UAE federal government, has set an initial price outlook of between 105 and 110 basis points over mid-swaps for US dollar-denominated bonds, Reuters reported. Emirates NBD Capital, Standard Chartered, Goldman Sachs International, and Industrial and Commercial Bank of China are arranging the transaction, according to a cited document from one of the banks. The transaction for the five-year US-denominated bonds is forecast to close later in the day. Noteworthy to mention, sources previously told Bloomberg that the bank is planning to issue its second international bonds this month to raise \$750 million or more. *(Source: Mubasher)*

Egypt nears issuing sukuk bonds as bill moves through parliament –

Egypt will start issuing sukuk as soon as a law making its way through the country's parliament goes into effect, the finance ministry said in a statement. "Egypt is preparing to issue its first offering of sovereign sukuk upon approval by Parliament, ... which helps achieve financial, economic, and development goals by diversifying the sources that finance the state budget deficit," it said, adding that they help to finance investments. The draft law received initial approval from the parliament on Sunday, and could be granted final approval as early as Tuesday, or as late as the end of the month before the start of the new fiscal year, said parliament member Yasir Omar. The law would then go to the country's presidency to be signed into law. The sukuk will help finance the country's deficit as well as facilitate investment in projects, the finance ministry statement said. *(Source: Reuters)*

GCC Sovereign Yields

Sovereigns	Maturity	Yield %	Price Δ (YTD %)	Sovereigns	Maturity	Yield %	Price Δ (YTD %)
Abu Dhabi	2025	0.74	-0.51	KSA	2025	1.19	-0.64
Abu Dhabi	2030	2.00	-3.60	KSA	2030	2.28	-2.44
Abu Dhabi	2050	3.15	-7.34	KSA	2050	3.64	-6.21
Bahrain	2026	3.42	-1.65	Oman	2025	3.26	2.73
Bahrain	2030	5.48	-5.29	Oman	2029	4.90	3.21
Bahrain	2047	6.90	-9.47	Oman	2048	6.70	0.48
Dubai	2029	2.53	-0.88	Qatar	2025	0.87	-0.94
Kuwait	2022	0.04	-0.95	Qatar	2030	2.05	-3.82
Kuwait	2027	1.42	-2.49	Qatar	2050	3.34	-8.80

Bonds and Sukuk Indices

Index Name	Yield %	Duration (yrs)	1D Δ (%)	YTD Δ (%)
Bloomberg GCC FI Index	2.62	8.08	0.30	-0.57
S&P MENA Bond and Sukuk Index	2.25	NA	0.19	-1.43
Bloomberg Emerging Markets USD Index	3.78	6.80	0.27	-0.86
Bloomberg Global Aggregate Index	1.11	7.42	0.12	-2.31

Interbank Rates (%)

	3 Months		6 Months		12 Months	
	9/6/2021	31/12/2020	9/6/2021	31/12/2020	9/6/2021	31/12/2020
KIBOR	1.5000	1.4375	1.7500	1.6875	2.0000	1.9375
SAIBOR	0.7914	0.8175	0.8414	0.8700	0.9143	0.9413
BHIBOR	1.5917	2.2500	1.6733	2.5333	1.7800	2.6833
QATAR	1.1797	1.1206	1.2398	1.1960	1.3608	1.3636
AEIBOR	0.3961	0.5125	0.4922	0.4908	0.5233	0.6538
EURIBOR	-0.5460	-0.5450	-0.5130	-0.5260	-0.4860	-0.4990
LIBOR	0.1231	0.2384	0.1606	0.2576	0.2416	0.3419

USD Swap Rates

	Yield %	1D Δ (bps)	YTD Δ (%)	Currencies			Commodities			
				USD	1D Δ (bps)	YTD Δ (%)	USD	YTD Δ (%)		
1-Year	0.1457	0.07	-24.3	KWD	0.3008	0.0333	0.83	Gold	1,896.40	-0.49
2-Year	0.2231	0.02	12.8	SAR	3.7510	-0.0027	0.03	Silver	27.76	4.62
5-Year	0.8427	-0.13	96.0	BHD	0.3771	-0.0186	0.00	Copper	452.50	28.31
7-Year	1.1869	-0.53	81.3	QAR	3.6421	0.0000	-0.01	Nat. Gas	3.13	16.69
10-Year	1.5001	-0.82	62.1	OMR	0.3850	0.0000	0.00	Aluminum	2,456.00	23.46
30-Year	1.9147	-1.06	36.6	AED	3.6730	0.0000	0.00	Crude Oil	72.58	41.34

US Treasuries

	Yield %	1D Δ (%)	Yield %	1D Δ (%)	Yield %	1D Δ (%)
2-Year	0.15	0.00	0.06	0.03	-0.69	0.00
5-Year	0.77	0.01	0.33	0.13	-0.68	0.03
10-Year	1.53	0.09	0.77	0.38	-0.35	0.19
30-Year	2.21	0.27	1.31	0.80	0.32	0.79

UK Gilts

	Yield %	1D Δ (%)
2-Year	0.06	0.03
5-Year	0.33	0.13
10-Year	0.77	0.38
30-Year	1.31	0.80

German Bunds

	Yield %	1D Δ (%)
2-Year	-0.69	0.00
5-Year	-0.68	0.03
10-Year	-0.35	0.19
30-Year	0.32	0.79

Sovereign Ratings

	Sovereign Ratings		
	Moody's	S&P	Fitch
Kuwait	A1	AA-	AA
KSA	A1	A-u	A
UAE	Aa2	NR	AA-
Abu Dhabi	Aa2	AA	AA
Qatar	Aa3	AA-	AA-
Bahrain	B2	B+	B+
Oman	Ba3	B+	BB-
Egypt	B2	B	B+
Lebanon	C	SD	RD
Jordan	B1	B+	BB-
Turkey	B2	B+u	BB-
Tunisia	B3	NR	B
Morocco	Ba1	BB+	BB+
US	Aaa	AA+u	AAA
UK	Aa3	AAu	AA-
China	A1	A+	A+
USD 5Yr CDS	09-Jun 2021	31-Dec 2020	
Kuwait	46.25	40.69	
KSA	58.02	63.77	
Abu Dhabi	39.50	36.03	
Dubai	84.51	104.06	
Qatar	39.24	36.70	
Bahrain	195.81	233.58	
Oman	247.56	353.60	
Iraq	474.39	542.74	
Egypt	315.00	330.47	
Morocco	85.81	102.56	
Turkey	391.59	299.47	
US	7.34	11.52	
UK	8.85	15.13	
China	35.68	26.70	
Japan	15.78	14.74	
Germany	9.13	9.09	
France	21.03	14.42	